Appendix I.

[Vide Answer to Starred Question No. 1314, asked by Sri D. S. Authimoolam at the meeting of the Legislative Assembly held on 22nd August 1961, page 538 Supra.]

A.--Based on the recommendation of the Finance Commission, 60 per cent of the net proceeds in any financial year, of taxes on income other than Agricultural Income, except in so far as those proceeds represent proceeds attributable to Union territories or to taxes payable in respect of Union emoluments, will be assigned to the States and distributed among them. The distribution of States' share will be 10 per cent on the basis of collections and 90 per cent on the basis of population. On this basis, the share of the Madras State in the divisible pool has been fixed at 8·40 per cent.

2. Consequent on the introduction of certain changes designed to simplify company taxation, a part of the proceeds of income-tax now accruing to the divisible pool may not, for technical reasons, be treated as divisible during 1960-61. The Government of India have decided that, until the matter has been examined by the next Finance Commission, the consequent loss to the State Governments may be made good by a grants-in-aid under Article 282 of the Constitution. The share of Madras State towards income-tax and grants-in-aid is as follows :—

(RUPEES IN LAKHS.)

	1958-59 (Actuals).	Revised Estimate, 1959-60.	Budget Estimate, 1960-61.
Income-tax	637	650	437
Grants in-aid	..	25	265
	637	675	702

The total under the share of income-tax and grants-in-aid will be Rs. 702 lakhs during 1960-61, which compare with the credit of Rs. 675 lakhs taken in 1959-60 and Rs. 637 lakhs in 1958-59. Thus there is no net loss to the State Government.

Appendix II.

[Vide answer to clause (*b*) of starred question No. 1315, asked by Sri V. K. Kothandaraman at the meeting of the Legislative Assembly held on 22nd August 1961, page 539 supra.]

In the Madras Mental Hospital there are General and Special Wards (A Class and B Class) of private patients. Those whose